REMARKS/ARGUMENTS

In light of the above amendments and remarks to follow, reconsideration and allowance of this application are respectfully requested.

Claims 1, 3-4, 7, 10, 48 and 50-51 are pending in this application. Claims 2, 5-6, 8-9, 11-47, 49, and 52-95 have been canceled.

Claims 1-7, 9-23, 35-37, 39-41, 48-52, 55-57, 59-61, 64-65, 80-81, 84-85, 87-89, and 92-93 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Kuroda et al. (U.S. Patent 6,707,774) in view of Chung et al. (U.S. Patent 6,621,933).

The claims have been amended to clarify the invention and more closely reflect the embodiments shown in Figures 1 and 4. Also, the limitation "wherein the data does not contain electronic watermark information" has been moved from the preamble into the body of the claim to give it patentable weight. (Claims 1 and 48) This limitation is significant in that the claimed embodiment is predicated on the data not having a watermark when it is read from the recording medium.

The present claims now recite "generating and embedding electronic watermark information in the decoded data if the data was read in response to the recording command; wherein said electronic watermark information is based on the type of the recording medium." (Claims 1 and 48) In other words, the watermark is embedded if the data is being recorded and is not embedded if the data is only being played back. In addition, the watermark is based on whether the recording medium is of ROM or RAM type. The Examiner asserts "Chung discloses a digital watermark remover which removes the watermark

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information _if it is embedded_ in digital video (column 9, lines 34-37)" (Office Action page 3) However, removing an existing watermark is not the same as not having a watermark in the first place because the existing watermark has already degraded the data. The Examiner further asserts Kuroda discloses changing the watermark based on the type of recording medium. (Office Action page 5, referring to claims 2 and 3) However, Kuroda simply discusses changing the watermark based on the copy protection code and does base the watermark on whether the recording medium is a ROM or RAM type. Moreover, the present invention bases the watermark on the type of the recording medium from which the data is being read and not on the recording medium to which the data is being recorded.

For at least these reasons, Kuroda and Chung fail to meet all of the limitations of the present invention and the rejected claims should now be allowed.

In view of the above, each of the presently pending claims in this application is believed to be in immediate condition for allowance. Accordingly, the Examiner is respectfully requested to withdraw the outstanding rejection of the claims and to pass this application to issue.

If, however, for any reason the Examiner does not believe that such action can be taken at this time, it is respectfully requested that he/she telephone applicant's attorney at (908) 654-5000 in order to overcome any additional objections which he might have.

If there are any additional charges in connection with this requested amendment, the Examiner is authorized to charge Deposit Account No. 12-1095.

Dated: January 4, 2007   Respectfully submitted,

By _____
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